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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/624,439	07/24/2000	Jonathan Ellenberg	3951-4001	5413
27123	7590	09/23/2004	EXAMINER	
MORGAN & FINNEGAN, L.L.P. 3 WORLD FINANCIAL CENTER NEW YORK, NY 10281-2101			FELTEN, DANIEL S	
			ART UNIT	PAPER NUMBER
			3624	

DATE MAILED: 09/23/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

## Office Action Summary

Application No.

09/624,439

Applicant(s)

ELLENBERG ET AL.

Examiner

Daniel S Felten

Art Unit

3624

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

### A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☐ Responsive to communication(s) filed on 21 June 2004.
- 2a) ☐ This action is **FINAL**.                      2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-57 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1-57 is/are rejected.
- 7) ☐ Claim(s) \_\_\_\_\_ is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on \_\_\_\_\_ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

### Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All    b) ☐ Some \*    c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

### Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)  
Paper No(s)/Mail Date \_\_\_\_\_
- 4) ☐ Interview Summary (PTO-413)  
Paper No(s)/Mail Date. \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: \_\_\_\_\_

### **DETAILED ACTION**

1. Receipt of the Response and Amendment filed June 21, 2004 amending claims 1 and 40 with the claim language "...using a computer terminal..." is acknowledged. Claims 1-57 are pending in the application and are presented to be examined on their merits.

### ***Response to Arguments***

2. Applicant's arguments, see Applicants' Remarks page 12, filed June 21, 2004 with respect to the rejection(s) of claim(s) 1, 12, 23, 34, 36, 38, 40, 46 and 52 under Postrel have been fully considered and are persuasive. Therefore, the 35 U.S.C § 102(e) rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made using Postrel in view of Copple (US 6,178,408).

### ***Regarding the Declaration by the inventor under 37C.F.R. § 1.131***

As far as formal matters are concerned, the rule requires an averment that the invention was made in the United States. The rule also requires that copies of drawings or other records "must accompany and form part of the affidavit or declaration or their absence satisfactorily explained." If a Rule 131 is not accompanied by such exhibits and if there is no explanation for their absence, the affidavit is not in compliance with the rule. It may therefore be considered as incomplete and ineffective to overcome the reference.

Moreover, the rule requires that the affidavit set forth facts which show a completion of the invention. The rule emphasizes that the facts be of such character and weight "as to establish reduction to practice prior to the effective date of the reference." **A mere statement that the invention was reduced to practice or that the applicant exercised due diligence is not enough to satisfy the rule.** The rule requires that the affidavit set for **actual facts** to permit the Examiner to make his own assessment as to whether there was conception, an actual reduction to practice or diligence (see *In re Harry*, 333 F. 2d 920, 142 USPQ 164 (CCPA 1964)).

Furthermore, it should be noted that if there are several individuals who comprise the applicant the affidavit should be executed **by each** of those individuals. Where the applicant is deceased or unavailable, the 131 affidavit should be made by one having knowledge of the facts. The affidavit should indicate how the affiant gained knowledge of the facts averred to. (see *In re Carlson*, 79 F.2d 900, 27 USPQ 400 (CCPA 1935)).

***Claim Rejections - 35 USC § 103***

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-33, 40-43, 45-49, 52, 53 and 54-57 are rejected under 35 U.S.C. 103(a) as being unpatentable over Postrel (US 6,594, 640) in view of Copple (US 6,178,408).

**Re claim 1 :**

Postrel discloses a method of conducting a customer affinity program (see Postrel Abstract),

Postrel discloses receiving a bid of reward points from a customer (see Postrel, Abstract, col. 3, lines 44-46), but fails to disclose that the reward points received from the customer **using a computer terminal** are for merchandise being offered in an auction. Copple discloses receiving reward points (redeemable collectible points using online bidding for commercial items in an auction 112 (see Copple, fig. 1, Abstract, col. 3, ll. 2-8; and col. 4, ll. 35-52; and col. 5, ll. 13+). It would have been obvious for an artisan of ordinary skill at the time of the invention to receive a bid of reward points from a customer wherein the reward points received from the customer **using a computer terminal** are for merchandise being offered in the auction because an artisan at the time of Postrel would have been motivated to maintain promotional inventory items on a fixed cost as well as providing real-time information on consumer response to

Art Unit: 3624

particular promotional items (see Copple col. 3, ll. 9-17). Thus Postrel would have sought to introduce new promotional items based upon consumer preference responses to past items within a competitive bidding environment as an incentive for customer participation. Thus such a modification would constitute an obvious expedient to one of ordinary skill in the art.

**Re claim 2:**

Postrel fails to disclose receiving registration information from the customer. This feature is disclosed by Copple (see Copple, fig. 1, col. 4, lines 35-52). Since Postrel does require that customers log-on to the system to access the user accounts, it would have been obvious for an artisan at the time of the invention of Postrel to modify the invention with the registration feature taught by Copple so as to allow customers to register with the system and to conveniently identify keep track customers and their reward points. Thus such a modification would have been an obvious expedient well within the ordinary skill of the art.

**Re claim 3:**

Postrel in view of Copple discloses wherein the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 4:**

Postrel fails to disclose providing a preview of the merchandise being offered in the

Art Unit: 3624

auction. A preview of the merchandise is disclosed by Copple (see Copple, fig. 1 , col. 4, lines 63-65). It would have been obvious for an artisan of ordinary skill in the art to modify Postrel to integrate a preview of the merchandise being offered in the auction as disclosed by Copple because an artisan would have been motivated to conveniently provide the customer with information about the item and therefore increase the incentive to buy the item. Thus such a modification would increase usage of the invention and thus provide an obvious expedient well within the ordinary skill in the art.

**Re claim 5:**

Postrel in view of Copple discloses authenticating the customer; and allowing the customer to access a reward points balance (see Postrel, col. 6, lines 1-11).

**Re claim 6:**

Postrel in view of Copple discloses allowing the customer to purchase additional reward points for use in the auction (see Postrel, col. 1 , lines 23-26).

**Re claim 7:**

Postrel in view of Copple discloses that the customer is allowed to purchase a specific number of reward points at an exchange rate (see Postrel, Abstract, col. 6, lines 40-52).

**Re claim 8:**

Postrel in view of Copple disclose determining a cost for the reward points purchased and transmitting a request for payment for the cost of the reward points (see Postrel, col. 1, 11. 30-46).

**Re claim 9:**

Postrel in view of Copple allowing a purchase of reward points on a floating basis (see Postrel, col. 3, lines 30+).

**Re claim 10:**

Postrel in view of Copple discloses deducting reward points expended in the auction from a reward points balance (see Postrel, col. 6, lines 35-37).

**Re claim 11:**

Postrel in view of Copple discloses determining a cost for purchasing reward points expended in the auction in excess of the customer's reward points balance and transmitting a request for payment for the cost of the reward points (see Postrel, col. 4, lines 30-43)



**Re claim 12:**

Postrel in view of Copple discloses a central controller 310 constructed to receive a bid of reward points from a customer for merchandise being offered in the auction (see explanation for claim 1, and Copple, col. 6, ll. 25+).

**Re claim 13:**

the central controller is constructed to receive registration information from the customer (see explanation for claim 2).

**Re claim 14:**

Postrel in view of Copple discloses that the customer registration information received by the central controller includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 15:**

Postrel in view of Copple the central controller is constructed to provide a preview of the merchandise being offered in the auction (see explanation of claim 4).

**Re claim 16:**

Postrel discloses that the central controller is constructed to authenticate the customer and allow the customer to access a reward points balance (see Postrel, col. 6, lines 1-11).

**Re claim 17:**

Postrel in view of Copple discloses that the central controller is constructed to allow the customer to purchase additional reward points for use in the auction (see Postrel, col. 1 , lines 23-26).

**Re claim 18:**

Postrel in view of Copple disclose that the central controller is constructed to allow the customer to purchase a specific number of reward points at an exchange rate (see Postrel, Abstract, col. 6, lines 40-62).

**Re claim 19:**

Postrel in view of Copple the central controller is constructed to determine a cost for the reward points purchased and transmits a request for payment for the cost of the reward points (see Postrel, col. 1 , 11. 30-46).

**Re claim 20:**

the central controller is constructed to allow the customer to purchase reward points on a floating basis (see Postrel, col. 3, lines 30+).

**Re claim 21:**

Postrel in view of Copple disclose that the central controller is constructed to deduct reward points expended in the auction from a reward points balance (see Copple, col. 6, ll. 7+).

**Re claim 22:**

Postrel and Copple discloses that the central controller is constructed to determining a cost for purchasing reward points expended in the auction in excess of the customer's reward points balance and transmitting a request for payment for the cost of the reward points (see Postrel, col. 4, lines 30-43).

**Re claim 23:**

Postrel in view of Copple discloses computer executable code stored on a computer readable medium for conducting a customer affinity program auction, comprising: a module to receive a bid of reward points from a customer for merchandise being offered in the auction (see explanation for claim 1; and col. 4, ll. 27-34).

**Re claim 24:**

a module to receive registration information from the customer (see explanation for claim 2).

**Re claim 25:**

Postrel in view of Copple discloses that the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 26:**

Postrel in view of Copple a module to provide a preview of merchandise being offered in the auction (see explanation of claim 4).

**Re claim 27:**

Art Unit: 3624

Postrel discloses a module to authenticate the customer', and a module to allow the customer to access a reward points balance (see Postrel, col. 6, lines 1-11).

**Re claim 28:**

Postrel and Copple disclose a module to allow the customer to purchase additional reward points for use in the auction (see Postrel, col. 1, lines 23-26).

**Re claim 29:**

Postrel in view of Copple disclose that the customer is allowed to purchase a specific number of reward points at an exchange rate (see Postrel, Abstract, col. 6, lines 40-52).

**Re claim 30:**

Postrel in view of Copple discloses a module to determine a cost for the reward points purchased and a module to transmit a request for payment for the cost of the reward points (see Postrel, col. 1, 11. 30-46).

**Re claim 31:**

Postrel in view of Copple disclose allowing a purchase of reward points on a floating basis (see Postrel, col. 3, lines 30+).

**Re claim 32:**

Postrel in view of Copple a module to deduct reward points expended in the auction from a reward points balance (see Postrel, col. 6, lines 35-37).

**Re claim 33:**

Postrel and Copple discloses a module to determine a cost for purchasing reward points expended in the auction in excess of the customer's reward points balance and a module to transmit a request for payment for the cost of the reward points (see Postrel, col. 4, lines 30-43).

**Re claim 40:**

Postrel in view of Copple discloses a method of conducting a customer affinity program (see Postrel, Abstract), and receiving a bid from a customer for merchandise being offered in the auction (see explanation of claim 1). Postrel fails to disclose receiving a bid in cash from a customer wherein at least a portion of the bid is paid for by reward points converted to a cash value. However, since the points disclosed by Postrel and Copple are considered a cash equivalent (see col. 6, ll. 37+), it would have been obvious for an artisan at the time of the invention to use cash, being negotiable tender, for the purchase of goods and service via the system of Postrel. Thus such a modification would have been within the ordinary skill the art.

**Re claim 41:**

Postrel in view of Copple discloses receiving registration information from the customer (see explanation for claim 2).

**Re claim 42:**

Postrel in view of Copple discloses the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 43:**

Postrel in view of Copple discloses providing a preview of the merchandise being offered in the auction (see explanation for claim 4).

**Re claim 44:**

Postrel in view of Copple discloses authenticating the customer', and allowing the customer to access a reward points balance (see Postrel, col. 6, lines 1-11 ).

**Re claim 45:**

Postrel in view of Copple discloses wherein the reward points are converted to a cash value using an exchange rate (see Postrel, col. 6, lines 1-11 ).

Art Unit: 3624

**Re claim 46:**

Postrel in view of Copple discloses a central controller constructed to receive a bid in cash from a customer for merchandise being offered in the auction, wherein at least a portion of the bid is paid for by reward points converted to a cash value (see explanation for claim 40 and 12)

**Re claim 47:**

Postrel in view of Copple discloses the central controller is constructed to receive registration information from the customer (see explanation for claim 2).

**Re claim 48:**

the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 49:**

the central controller is constructed to provide a preview of the merchandise being offered in the auction (see explanation of claim 4).

**Re claim 50:**

Postrel in view of Copple disclose the central controller is constructed to authenticate the customer and allow the customer to access a reward points balance (see explanation for claim 44).



**Re claim 51:**

Wherein the central controller is constructed so that the reward points are converted to a cash value using an exchange rate (see explanation for claims 40 and 45)

**Re claim 52:**

Computer executable code stored on a computer readable medium for conducting a customer affinity program auction, comprising'. a module to receive a bid in cash from a customer for merchandise being offered in the auction, wherein at least a portion of the bid is paid for by reward points converted to a cash value (see explanation for claim 40; and 23).

**Re claim 53:**

Postrel and Copple disclose a module to receive registration information from the customer (see explanation for claim 2).

**Re claim 54:**

Postrel and Copple disclose that the customer registration information includes payment information (see Postrel, col. 4, lines 34-43).

**Re claim 55:**

Postrel and Copple disclose a module to provide a preview of the merchandise being offered in the auction (see explanation of claim 4).

**Re claim 56:**

Postrel in view of Copple discloses a module to authenticate the customer', and a module to allow the customer to access a reward points balance (see Postrel, col. 6, lines 35-37).

**Re claim 57:**

the module conveys reward points to a cash value using an exchange rate (see Postrel col. 6, lines 32-52, and col. 9, lines 55+).

3. Bezos et al (US 6,606,608) in view of Postrel (US 6,594,640).

Claims 34-39 are rejected under 35 U.S.C. 103(a) as being unpatentable over Postrel (US 6,594,640) as modified by Copple (US 6,178,408) as applied to claim 1 as discussed above and in further view of Bezos et al (US, 6,606,608). The teachings of Postrel as modified by Copple have been discussed above.

**Re claim 34:**

Postrel as modified by Copple fails to disclose determining a minimum opening bid price by applying an auction pricing discount factor based on the merchandise being auctioned. Bezos discloses determining a minimum opening bid price by applying an auction pricing discount factor based on the merchandise being auctioned and the time period of the auction. (see Bezos, figs. 3 and 4, Abstract, col. 2, line 64 to col. 3, line 23, and col. 5, line 43+).

It would have been obvious for an artisan of ordinary skill in the art at the time of the invention to determine a minimum opening bid price by applying an auction pricing discount factor based on the merchandise being auctioned as disclosed in Bezos because an artisan at the time of the invention would have sought to discover the minimum price someone was willing to offer for the and as well as the amount of discount to offer the bidder to provide an incentive for the bidder to increase the bid amount. Thus such a modification would be constituted an obvious expedient to one of ordinary skill in the art.

**Re claim 35:**

determining a bid increment (see Bezos, col 5, lines 17+).

**Re claim 36:**

A customer affinity program auction system comprising: a central controller constructed to determining a minimum opening bid price by applying an auction pricing discount

factor in reward points based on the merchandise being auctioned and the time period of the auction (see explanation of claim 34).

**Re claim 37:**

the central controller is constructed to determine a bid increment (see Bezos, col 5, lines 17+).

**Re claim 38:**

Computer executable code stored on a computer readable medium for conducting a customer affinity program auction, comprising: a module to determine a minimum opening bid price by applying an auction pricing discount factor in reward points based on the merchandise being auctioned and the time period of the auction (see explanation of claim 34).

**Re claim 39:**

a module to determine a bid increment (see Bezos, col 5, lines 17+).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel S Felten whose telephone number is (703) 305-0724. The examiner can normally be reached on Flex.

Art Unit: 3624

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Vincent Millin can be reached on (703) 308-1065. The fax phone number for the organization where this application or proceeding is assigned is 703-872-9306.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free).



DSF  
September 16, 2004

Daniel S Felten  
Examiner  
Art Unit 3624



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